

## **ROOM RENTAL – TRANSIENT TAX INFORMATION**

### **1) ROOM RENTAL - TRANSIENT TAX IN GENERAL**

Section 52-16 of the Montgomery County Code 1972, as amended, imposes the Room Rental-Transient Tax upon each and every human person, who for any period of not more than 30 consecutive days, actually occupies sleeping accommodations, for which a charge is made, in any hotel, motel or other similar place offering sleeping accommodations for five or more persons at any one time. Every provider of accommodations receiving any payment for room rental subject to this tax shall collect the amount of tax due at the time payment is made for the room and make a report and remittance to the County.

### **2) ACCOUNT NUMBERS AND QUESTIONS**

To obtain an application for a new account or to answer any questions contact The Division of Treasury - Excise Tax Unit, 255 Rockville Pike, Suite L-15, Rockville, Maryland 20850. Telephone (240) 777-8928.

### **3) SCHEDULED DUE DATES**

The tax report and payment of tax is due on or before the last day of each month, covering the amount of tax collected during the immediate preceding calendar month. Upon written application, and with the consent of the Director of Finance, reports and remittances may be made on a quarterly basis. Such quarterly reports would be due on or before the last days of April, July, October and January of each year, and would cover the amounts collected during the three months immediately preceding the month in which reports and remittances are due. Whenever any person required collecting and paying this tax to the County should cease to operate or otherwise dispose of this business, such person shall immediately make a report and pay the tax due.

### **4) INTEREST AND PENALTY**

Avoid interest and penalties by filing correct reports on time and by paying correct tax due with report. The law provides for interest of 1% per month or fraction thereof for late filing of reports or for failure to make a timely payment of tax. Penalty of 5% of the amount of the tax per month or portion of a month, not to exceed a total of 25% of the tax, is due for late filing of reports or failure to make timely payment of tax.

### **5) RECORDS**

Records and information in support of all tax reports must be maintained for a period of at least three (3) years. Such records should be available and open to inspection by the Director of Finance or an authorized representative.

### **6) EXEMPTIONS FROM TAX**

Foreign government officials are exempt, provided they present an exemption card issued to them by the State Department and prepare the Montgomery County Room Rental - Transient Exemption Certificate. Room rentals paid to any hospital, medical clinic, nursing home, rest home, convalescent home or home for aged persons are exempt from Room Rental -Transient Tax and no report is due from such organizations.

### **7) NO EXEMPTION FROM TAX**

No exemption will be granted to any Federal, State, County or other municipal officials. No exemption will be granted to any transients connected with a non-profit organization.

### **8) ROOM RENTAL COLLECTIONS FROM NON-TRANSIENTS**

Enter room rental collections from each person occupying accommodations for more than thirty (30) consecutive days. None of the room rental collected from these persons is subject to this tax.

### **9) RATE OF TAX (Effective July 1, 1996)**

The 7% tax rate is effective after 12:01 a.m., July 1, 1996.

### **10) CONFIDENTIALLY**

Individual taxpayer information provided on the return is confidential and is not shared with other entities.